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Item 14(b) of the provisional agenda
Development and transfer of technologies
Review of the effective implementation of the Climate Technology Centre and Network

United Nations Environment Programme response to the independent review of the Climate Technology Centre and Network

1. At its seventeenth session, the Conference of the Parties (COP) adopted the terms of reference of the Climate Technology Centre and Network (CTCN)[1] and decided to launch the selection process for the host of the Climate Technology Centre.[2] COP 18 decided that the United Nations Environment Programme (UNEP), as the leader of a consortium of partner institutions, would be selected as the host of the Climate Technology Centre for an initial term of five years.[3] COP 23 decided to renew this arrangement for a further four years[4] in accordance with decision 2/CP.17, annex VII, paragraph 22.[5]

2. As requested at COP 17, the secretariat commissioned an independent review of the effective implementation of the CTCN four years after its inception.[6] COP 23 considered the findings of the review, including any recommendations regarding enhancing the performance of the CTCN, and invited UNEP, with the support of the CTCN and in consultation with its Advisory Board, and within their respective functions and mandates, to provide a management response to the relevant findings and recommendations of the independent review for consideration by the Subsidiary Body for Implementation at its forty-eighth session, taking into account Parties' deliberations at COP 23.[7]

3. In response to that invitation, UNEP submitted the report contained in the annex; it was received on 28 March 2018. It is reproduced here as submitted by UNEP, with the original pagination.

[1] Decision 2/CP.17, annex VII.
[2] Decision 2/CP.17, paragraphs 133 and 136.
[3] Decision 14/CP.18, paragraph 2.
[4] Decision 14/CP.18, annex I.
[5] Decision 14/CP.23, paragraph 5.
[6] Decision 2/CP.17, annex VII, paragraph 20.
[7] Decision 14/CP.23, paragraph 7.

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Independent Review of the Climate Technology Centre and Network Management Response of UN Environment

Introduction

COP 17 requested the Climate Change secretariat, subject to the availability of resources, to commission an independent review of the effective implementation of the Climate Technology Centre and Network four years after its inception. Following a procurement process in accordance with United Nations regulations, the secretariat in 2017 selected Ernst and Young et Associés to conduct the independent review.

The consultant formulated a number of recommendations to enhance the performance of the CTCN covering aspects related to CTCN's governance and organization; funding; its three core services; and monitoring, evaluation and reporting. UN Environment, as the host organization of the CTCN, was requested to respond to the recommendations.

This management response has been prepared by UN Environment in collaboration with the UN Industrial Development Organization and in consultation with the CTCN Advisory Board. Not all of the recommendations resulting from the independent review are directed at UN Environment as the CTCN's host organization. All the recommendations, however, are pertinent to the effective functioning of the CTCN and its ability to deliver on COP mandates, and they are best appreciated as a whole. We have, therefore, elected to respond to all of the recommendations made, noting in those cases where UN Environment is better able to play a supporting rather than a direct role.

This management response is divided in seven categories, following the structure of the external independent review:

1) Governance and organization
2) Funding
3) Technical assistance
4) Knowledge management, peer learning, and capacity-building
5) Outreach, networking, and stakeholder engagement
6) Monitoring, evaluation, and reporting
7) Advisory Board

Recommendations

Governance and organization

Recommendation 1*: Encourages countries to enhance awareness of their National Designated Entity (NDE) by relevant stakeholders and support their NDE through national institutions and cooperation with other national UNFCCC focal points.*

As NDEs have reported a lack of support and recognition at the national level, this recommendation will help ensure that the work of the CTCN becomes known and is supported by relevant national institutions. This could be achieved by creating annual UNFCCC focal point forums to bring representatives of UNFCCC-related institutional arrangements and NDEs together to work towards greater complementarity and impact of their climate change related activities. In addition, developing countries could encourage their NDEs to consult with other national entities to identify, select and

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refine requests for technical assistance in order to ensure strong support for the request in the national setting and strong alignment with national priorities and ongoing climate and development efforts.

Response

Although this recommendation is directed at countries, we agree that the proliferation of official national focal points for different climate change issues has made it challenging at times for the National Designated Entities to distinguish themselves and be recognized for the role assigned them by Parties. An effective NDE is essential to the smooth and effective functioning of the CTCN, so the Climate Technology Centre organized in 2017 several workshops for the main climate change focal points in selected developing countries with the goal of strengthening the roles of NDEs, supporting information sharing among the focal points, and facilitating coordination between different efforts. Four such workshops were organized in Southeast Asia, West Africa, East Africa, and South America. The workshops brought together national focal points formally responsible for different climate change issues, namely:

- UNFCCC Climate Change Focal Points
- National Designated Entities for the CTCN
- National Designated Authorities for the Green Climate Fund
- GEF Focal Points
- focal points for Technology Needs Assessments (TNAs)
- focal points for National Adaptation Plans, and
- focal points for Nationally Appropriate Mitigation Actions.

The objective of the workshops was to determine how best to make use of the different mechanisms under the Climate Convention to achieve mitigation and adaptation objectives described in each country's Nationally Determined Contributions, and the role the CTCN could play in supporting these efforts. Similarly, in both 2016 and 2017 the Climate Technology Centre supported coordination at the national level between the focal points responsible for the Convention's technology and financial mechanisms by inviting both the GCF National Designated Authorities and the National Designated Entities to various regional fora.

UN Environment will continue to support through the activities of the Climate Technology Centre efforts by Parties and the Climate Change secretariat to improve coordination among focal points named by countries. Doing this at scale, however, would require additional financial and human resources. In addition, the Climate Technology Centre will discuss with the Technology Executive Committee and the Climate Change secretariat ways to reinforce the importance of coordination between National Designated Entities and other designated focal points for climate change issues regarding all aspects of NDCs.

Finally, the Climate Technology Centre will organize with the Green Climate Fund secretariat additional regional meetings that improve collaboration and information flows between National Designated Entities and National Designated Authorities.

***Recommendation 2**: Enhances the governance of the CTCN so that it continues to respond to the CTCN's needs in terms of strategic and technical guidance.*

Stakeholders who participated in the review reported a lack of clarity over the role of the Advisory Board. While the mandate of the Advisory Board is primarily to endorse the operating plans and the budget, its role has evolved beyond this, and it now provides strategic guidance. The COP could revise the mandate of the Advisory Board so that it clearly has provision to provide strategic guidance to the CTCN. In addition, Parties could be encouraged to nominate Advisory Board members who demonstrate technical expertise relevant to the development and transfer of technology for adaptation and mitigation actions.

Response

The functions of the CTCN Advisory Board have evolved in a manner consistent with the mandate given to it by Parties to the Climate Change Convention. During the first five years of operations, the Climate Technology Centre has benefited from the strategic and technical guidance provided by the Advisory Board. Should Parties decide to adjust the governance of the CTCN by changing the functions of the Advisory Board, UN Environment would as host of the CTCN make any changes required to service the Board effectively.

***Recommendation 3**: Encourages the CTCN to clarify the role of developed country NDEs.*

Stakeholders participating in the review noted a lack of clarity regarding the role and responsibilities of NDEs from developed countries. This recommendation will ensure that the CTCN can benefit from the technical expertise of developed country NDEs and may facilitate collaboration and fundraising. Such actions should aim at reinforcing the involvement of NDEs from developed countries in CTCN operations, which could be achieved by creating a working group comprising NDEs from developed countries to further frame their involvement and contribution to the CTCN.

Response

UN Environment recognizes the important role that developed countries National Designated Entities can play in the operations of the Climate Technology Centre and Network, in promoting collaboration, and in supporting funding for the CTCN.

The Climate Technology Centre presented at the third meeting of its Advisory Board (in March 2014) a paper[8] describing possible roles of developed countries National Designated Entities, which was endorsed by the Advisory Board. The same paper was also presented to and discussed by the Advisory Board at its seventh meeting (in April 2016).

The possible roles are summarized below, and further described in the paper:

i. Act as the national CTCN focal point in their country, and identify possible collaboration and synergies between their activities and relevant stakeholders from the public and private sectors.

ii. Contribute to the delivery of CTCN services, which include technical assistance to developing countries, information and knowledge sharing, and collaboration and networking on climate technologies.

iii. Be an active member of the Climate Technology Network (CTN).

iv. Support Non-Annex I countries taking part in CTCN activities and enhance their capacities to deploy climate technologies.

We believe the paper describing possible roles of developed country NDEs is still useful, and so will send it to all NDEs and Network members, and feature it on the CTCN website.

The Climate Technology Centre has also been working with the Advisory Board to determine modalities for in-kind and pro-bono support to the CTCN's operations, with a specific emphasis on technical assistance provided through National Designated Entities in developed countries. We would be pleased to convene a working group of developed country NDEs where they could share best practices and clarify how NDEs can engage more fully with the larger CTCN ecosystem.

Finally, the Climate Technology Centre intends to expand existing efforts to gather and share best-practices, facilitate information flow between National Designated Entities, and support coordination through meetings and via electronic means.

Funding

***Recommendation 4**: Invites UNEP and UNIDO, as hosts of the CTCN, to identify potential sources of additional financial resources.*

The current funding model of the CTCN mainly relies on voluntary contributions from countries, and the limited availability of funding of the CTCN was identified as one of the main factors that prevented it from delivering services at the expected level. One way that UNEP and UNIDO could operationalize this recommendation is by conducting and regularly updating a thorough mapping of possible additional funding sources (including philanthropic and private funding and crowdfunding) adapted to CTCN activities. Based on the design of the identified funding sources (amount, format, procedures), the CTCN could then prioritize fundraising efforts. In addition, the CTCN is encouraged to create a position within the CTCN team dedicated to fundraising and engaging in dialogue with donors, which would thus allow other staff to focus on their roles.

[8] Available at: https://www.ctc-n.org/file/294.

Response
Lack of a sustainable and predictable stream of funding does hamper the reach and ultimately effectiveness of the Climate Technology Centre and Network, and both UN Environment and UNIDO have regularly engaged with possible donors in an effort to secure additional funding. We will increase our fund-raising efforts and intend to engage a professional fund raiser tasked with expanding the donor base while strengthening communication with existing donors. We also intend to conduct a mapping of existing funding opportunities from government, regional organizations, foundations, charitable institutions, and the private sector.

At the 11th meeting of the CTCN Advisory Board (in March 2018) we discussed with members convening a donors' forum that would bring together representatives of bilateral and multilateral donor agencies, charitable institutions, and private sector representatives. The forum would build off a positive narrative and demonstration of results prepared by the Climate Technology Centre and a work plan endorsed by the Advisory Board. We also propose to have the UN Environment Executive Director, UNIDO Director General, and Executive Secretary of the Climate Change Convention approach possible donors at the political level.

A fund-raising options paper – presented to and endorsed by the Advisory Board at its 11th meeting – suggested identifying *CTCN Champions* among high level figures from the private and public sectors who could raise the profile of the Climate Technology Centre and showcase the benefits it provides to developing countries. The CTCN intends doing so, as well as working with the Climate Change secretariat in enlisting support of the Convention's High-Level Champions for the same purpose.

***Recommendation 5**: Encourages the CTCN, the GEF and the GCF to continue exploring how to further facilitate the provision of sustained funding for CTCN activities and enhance operational linkages between the organizations, in line with their respective mandates.*

Limited availability of funding for the CTCN was identified as one of the main factors that prevented it from delivering services at the expected level. The GEF and GCF have demonstrated willingness to support the CTCN but this has occurred in an ad hoc *manner, while the CTCN is in need of enhanced predictability of its financial resources. The provision of funding by the GEF and the GCF should aim at minimizing delays to avoid hampering the efficiency of CTCN operations. Furthermore, the GEF developed and finances a network of regional climate technology centres, which provide similar services and collaborate with the CTCN in a limited way. Strengthening the links between the CTCN and the GEF regional climate technology centres will facilitate knowledge-sharing and increase potential synergies at the regional level. Countries should seek to put their NDE in contact with their GEF country focal point to identify project concepts that could benefit from the services of both the CTCN and the GEF. Linkages between CTCN technical assistance and GCF funding programmes could be enhanced by institutionalizing a relationship between NDEs and NDAs. This would allow these actors to maximize potential synergies in terms of communication, coherence at the national level, complementarities, relationships between local and international stakeholders, and human resources.*

Response
UN Environment and UNIDO continue to discuss with the Green Climate Fund secretariat and the Global Environment Facility secretariat ways they might work with the CTCN that would meet the needs of developing countries while respecting the two institution's mandates, rules, and procedures. We are working out operational details for enhanced collaboration with the Green Climate Fund that were agreed in principle through an Exchange of Letters during COP23. UNIDO has also submitted to the Global Environment Facility a proposal for new and additional support for the CTCN. Both organizations wish to point out that decisions taken by Parties encouraging cooperation between the Technology and Financial Mechanisms of the Convention are very helpful in stimulating such dialogue.

As noted in the response to Recommendation 1, the Climate Technology Centre has helped different national focal points under the Convention discuss and coordinate efforts to realize their Nationally Determined Contributions. The CTC will continue doing so, working as well with National Designated Entities from developed countries, the operating entities of other mechanisms under the Convention, and the Climate Change secretariat.

Technical assistance

***Recommendation 6**: Encourages the CTCN, its Advisory Board and NDEs to increase the efficiency of the CTCN's provision of technical assistance.*

Some inefficiencies in the provision of technical assistance have been observed, leading to delays, additional work for the CTCN and the dissatisfaction of some beneficiaries. Ways to increase the efficiency include better controlling the deadlines associated with the elaboration of the CTCN's response plans. In addition, the CTCN is encouraged to continue and increasingly open technical assistance tenders to Network members in order to further utilize their expertise and resources. It could also explore the opportunity to organize pools of expertise within the Network that would be mobilized on a given topic or in a region and would have priority over the technical assistance tenders in their area of expertise. The CTCN could also identify technical assistance best practices and successful technical assistance projects in order to foster their replication through capacity-building and knowledge-sharing. Finally, the promotion of multiregional technical assistance among NDEs could achieve higher efficiency in the allocation of resources, along with systematically assessing opportunities for providing technical assistance to more countries than identified in the request.

Response

UN Environment recognizes the need to improve the provision of technical assistance and will work with the Advisory Board, donors, and the operating entities of the Convention's Financial Mechanism to reduce delays and better serve developing countries. We are, for example, exploring the feasibility of developing through the CTCN so-called "pools of expertise" to serve certain categories of requests more quickly.

The Climate Technology Centre is also developing procedures to provide Fast Technical Assistance (FTA) that responds to developing country requests that are strategic, time sensitive, and smaller in scope and hence shorter in duration. Fast Technical Assistance requests would allow the CTC to increase the number of requests to which it can respond and therefore the number of countries it can serve. Experience has shown that the Climate Technology Centre spends a large amount of time in refining requests from countries. The FTA approach could in some cases lead to subsequent requests for CTCN support for larger efforts – including regional efforts – that are of higher quality and so could be processed more quickly. Finally, in an effort to aid communications and lines of responsibility, the CTC is assigning to each region a manager who will be the main point of contact for NDEs in countries in that region. The relevant manager will be responsible for ensuring that all CTCN services within the region are delivered effectively and efficiently.

While recognizing that donors and institutions under the Convention have their own constraints and procedures, UN Environment highlights the challenges of operating the CTCN with earmarked or conditional sources of funding, the time and effort required to secure funding from the Green Climate Fund Readiness Support Programme, and the challenges – both institutional and programmatic – of obtaining predictable support from the Global Environment Facility. These constraints do affect the speed and overall efficiency of the CTCN by diverting time and energy away from its core functions. UN Environment and UNIDO will put additional effort into developing streamlined processes with the Green Climate Fund, and defining a more programmatic approach with the Global Environment Facility.

Knowledge management, peer learning and capacity-building

***Recommendation 7**: Encourages the CTCN to continue training NDEs regularly and facilitating the elaboration of requests through its regional forums and Incubator Programme.*

Stakeholders identified that capacity-building activities were necessary to empower developing country NDEs, who play the critical role of identifying and submitting requests. This recommendation will ensure that continuous expertise is maintained within the pool of NDEs and that requests are coherent with CTCN technical assistance services and national priorities. Ways to enhance the capacity and efficiency of NDEs include the creation of capacity-building modules that capitalize on a selection of successful technical assistance projects in order to facilitate their replication in other countries. In addition, it is recommended that the CTCN better anticipate the planning and organization of events and webinars, and communicate the dates of these well in advance to facilitate greater participation.

Response
Capacity building activities for National Designated Entities have been a priority and central element of the CTCN's services since it started operations in 2013. The Climate Technology Centre has conducted each year regional meetings of National Designated Entities that train NDEs on how best to tap the services of the CTCN. These events, more than 25 to date, have provided a space where Network members and NDEs can discuss priorities and technology solutions to their climate challenges. The Climate Technology Centre intends to continue strengthening NDEs capacities through such training events. The CTC will also increase its efforts to secure from Network members support for capacity-building activities for NDEs and other national stakeholders, and will continue engaging with the GCF National Designated Authorities on GCF Readiness Support.

In response to country requests, the Climate Technology Centre has developed a capacity building module for training NDEs and other beneficiaries on developing GCF concept notes based on their NDCs priorities; it is working with the Green Climate Fund secretariat to offer the module to National Designated Entities and National Designated Authorities.

Through its Incubator Programme for Least Developed Countries and Small Island Developing States, the CTCN has helped countries identify strategic technology needs in their NDCs and other climate and development planning documents. More recently, the Climate Technology Centre has started supporting Incubator Programme countries in establishing technology roadmaps for strategic sectors that will define priority interventions for the CTCN and the Green Climate Fund.

The Climate Technology Centre acknowledges the need for planning and organizing its events and webinars in a way that allows for greater participation by a variety of interested stakeholders, and is working towards this aim.

Outreach, networking and stakeholder engagement

Recommendation 8: *Encourages the CTCN to continue raising awareness of its services in developing countries.*

The awareness of local stakeholders of the CTCN and its services appeared to be limited. This recommendation will ensure that developing countries take full advantage of the CTCN's services. One way to achieve this would be to support the involvement of more stakeholders from developing countries (and especially the private sector) in technical assistance, capacity-building and networking activities of the CTCN, as they have relevant knowledge of the gaps within the national enabling environment and are likely to support the implementation of climate technologies on the ground.

Response
The Climate Technology Centre recognizes the need to raise the awareness of its services in developing countries. As an initial step, the CTC will support efforts by National Designated Entities to improve their profile at the national level, and to do so in collaboration with the Technology Executive Committee. UN Environment and UNIDO will provide NDEs with outreach materials in additional languages and use UN Environment and UNIDO country and regional offices to inform stakeholders of the services provided by the CTCN and the role of the National Designated Entities. Additionally, the Climate Technology Centre will prepare communication material highlighting the benefits of Network membership. The aim is to help developing countries' National Designated Entities engage with Network members in their countries, with a specific emphasis on private sector entities.

Recommendation 9*: Encourages the CTCN to reinforce the involvement of Network members in its activities.*

It was found that the CTC generally underutilized the resources and expertise of its Network in the delivery of its core services. This pool of resources could help significantly in delivering technical assistance. The low involvement of some of the Network members resulted in member dissatisfaction. Ways to address this include soliciting the Network more frequently to contribute to the CTCN's core services, including technical assistance and the KMS, and holding more Network member events such as the one held at COP 22.

Response
The Climate Technology Centre has developed a Network of 400 organizations that are interested in responding to developing country requests for technical assistance. In 2017 the Network became the main delivery mechanism for

technical assistance provided to developing countries, and the majority of technical assistance requests are now implemented by the Network. As of early 2018, the Climate Technology Centre had open 26 tenders responding to requests from developing countries, and has received 121 proposals from 100 Network members.

The Climate Technology Centre intends to deepen its engagement with the Network and encourage more institutions and organizations to become members, particularly those in developing countries. It will further increase the proportion of technical assistance provided through the Network. As a part of this effort, the Climate Technology Centre is asking Network members to help define new areas of assistance, for example building capacity of Direct Access Entities to the Green Climate Fund. We see great advantage in linking Network members from developed and developing countries and the opportunity to organize regular meetings of Network members should additional resources be provided for this purpose.

Monitoring, evaluation and reporting

***Recommendation 10**: Encourages the CTCN to strengthen the transparency of its funding arrangements and enhance the reporting and evaluating of its impact.*

To raise additional funds, the CTCN needs to demonstrate that value for money is delivered to its current donors. One way to achieve this is to enhance transparency in donor agreements by documenting them on the CTCN website. Further communicating its impact is also crucial. It is recommended that the CTCN ensures a more frequent reporting to the Advisory Board on its performance through quarterly dashboards on progress on strategic key performance indicators. In addition, the CTCN could organize annual donor forums to provide reporting on CTCN activities and to discuss and if necessary revise donor agreements. Furthermore, the CTCN is encouraged to finalize a monitoring and evaluation framework that captures outcomes and impacts and can be analysed in a simple manner, and which provides quantitative and objective information on technical assistance impacts. The CTCN could perform an ex-post evaluation a few years after the completion of each technical assistance project to demonstrate impacts and assess sustainability and replicability.

Response
UN Environment agrees that transparency regarding the Climate Technology Centre's funding agreements, operations, and impacts is critical. We have made public through the CTCN's Knowledge Management System the funding agreements with bilateral and multilateral donors and developed a specific page describing the CTCN's monitoring and evaluation system, highlighting the CTCN's impact, and presenting outputs of the technical assistance provided. The Climate Technology Centre also commits to increasing communication with the Advisory Board, with an emphasis on conveying the impacts of technical assistance provided. Such evidence of impact will be helpful in the proposed donor forum noted in the response to Recommendation 4.

Advisory Board

***Recommendation 13**: Requests the Advisory Board to operationalize the recommendations arising from this review.*

Response
UN Environment looks forward to working with the Advisory Board in making operational the review's recommendations and notes that the Climate Technology Centre is already acting on a number of these recommendations with UN Environment and UNIDO.